



# Arizona State Retirement System

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## News Release

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### **ASRS awards contracts for retiree health plans**

The ASRS Board of Trustees has awarded a contract to PacifiCare of Arizona to administer the retiree health insurance program through 2006. PacifiCare has been the sole provider of the ASRS retiree health insurance program since 2001.

Approximately 23,500 retirees are currently enrolled in the ASRS health insurance program, which provides a variety of options, including an HMO and PPO plan, a Medicare HMO and a Senior Supplement plan. The new contract, which retains these programs, goes into effect Jan. 1, 2005. Under the new contract, retirees will see no increase in their monthly health insurance premiums.

An open enrollment period, during which retirees can sign up for the plan, or make changes to existing plans, will take place October 4 through October 29. Open enrollment packets will be mailed to all retirees by late September.

"After more than a year and a half of study and discussion, we are excited to be able to offer our retirees an option for their health insurance needs," said Pat Klein, ASRS health care benefits manager. "In today's climate of escalating health care costs, we're especially pleased that our retirees won't see any increase in their premiums through 2006. We believe that is quite an accomplishment."

PacifiCare Health Systems, celebrating its 25<sup>th</sup> anniversary as a leader in health plan administration, serves more than 3 million health plan members and 9 million specialty plan members nationwide with annual revenues of more than \$11 billion.

In addition to the PacifiCare contract, the Board voted to continue the popular ScriptSave program, a free prescription drug discount card for retirees. Regardless of the medical insurance plan, retirees with the ASRS are able to use the ScriptSave card for:

- > Prescriptions that are not on the formulary.
- > Dental prescriptions.
- > The cost of prescriptions after an annual maximum prescription drug benefit limit for those enrolled in PacifiCare's Senior Supplement Plan.
- > Family members, regardless of their participation in an ASRS retiree health insurance plan.
- > Prescriptions even if the retiree declined to participate in an ASRS health insurance plan.

Since 2001, ASRS retirees have saved more than \$1.2 million in prescription costs with the ScriptSave program, administered by Medical Security Card Co., of Tucson.

(more)

Enhancements under the new PacifiCare contract also include:

- > A vision benefit added to PacifiCare's Medicare Advantage HMO and Senior Supplement plans.
- > Continuation of the Silver Sneakers fitness program, which will be extended to include non-Medicare eligible retirees beginning Jan. 1, 2005.
- > Expanded efforts to develop a disease management program targeting chronic illnesses common to the retiree population.
- > Expansion of PacifiCare's Medicare HMO plans to select rural Arizona counties.

Retirees should watch for the Open Enrollment packet to learn more.

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